

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Social Welfare Department –Extension of “Pavala Vaddi” for beneficiaries of all Welfare Corporations who effect prompt repayment- Orders-Issued.

SOCIAL WELFARE (SCP.I) DEPARTMENT

G.O.Ms.No. 95

Date:14-9-2009.

Read the following:

- 1.G.O.Ms.No.5, PR &RD(RD.III) Dept, Dated.01-02-2004.
- 2.G.O.Ms.No.271, PR & RD (RD.II) Deptt., dt.17.09.2004
- 3.G.O.Ms.No.152, PR & RD (RD.II) Deptt., dt.02-05-2005.
- 4.G.O.Ms.No.136 PR & RD (RD.II) Deptt., dt.09-04-2007.
- 5.From the V.C & M.D, APSCCFC Ltd, Lr.No.P2/10713/APSC/2008,
Dated.26-05-2008, 21-7-2008, 18-9-2008, & 23-10-2008.

ORDER:

In order to lessen the burden of interest on loans availed from Financial Institutions and to encourage prompt and effective repayment, it is proposed to extend “PAVALA VADDI” scheme to the beneficiaries of schemes of all welfare corporations who effect prompt repayment. The respective corporations will provide interest rate subsidy ensuing loans at PAVALA VADDI rate. This measure not only makes the banks to lend more responsively, but also makes it more easy for the beneficiaries to repay the loans.

2. In the reference 1st read above, Government have allowed payment of incentive to Self Help Groups at 50% on the interest charged by the Banks, provided that there is 100% repayment of the loan by the members of the Self Help Groups under Self Help Group Bank Linkage scheme.

3. In the reference 2nd read above, Government have allowed payment of incentive to Self Help Groups on the interest charged by Banks over and above 3% per annum, subject to the maximum ceiling of 6% per annum, provided that there is 100% repayment of the loan by Self Help Groups.

4. In the reference 3rd read above, Government have issued orders for repayment of interest incentive to the Self Help Groups on the interest charged by the Banks over and above 3% per annum, once in a year, based on the performance of the loan account obtaining as on March,31st of the previous financial year.

5. In the reference 4th read above, Government have issued revised comprehensive guidelines for operationalising the scheme in modification of the guidelines already issued in the reference 3rd read above.

6. In the reference 5th read above, the Vice Chairman & Managing Director, Andhra Pradesh Scheduled Castes Cooperative Finance Corporation Ltd., Hyderabad has sent proposals for extending the interest subsidy scheme of ‘Pavala Vaddi’ to the beneficiaries of Andhra Pradesh Scheduled Castes Cooperative Finance Corporation Ltd., to promote prompt repayment of institutional finance.

(P.T.O.)

7. Government, after careful examination of the matter, hereby accept the proposal of the Vice Chairman & Managing Director, Andhra Pradesh Scheduled Castes Cooperative Finance Corporation Ltd., Hyderabad to extend the scheme of 'Pavala Vaddi' to the beneficiaries of all Welfare Corporations, who effect prompt repayment.

Operational Guidelines of the scheme:

I. The scheme shall be applicable from the date of issue of this order i.e. 14-9-2009, to all loanees assisted with subsidy from Scheduled Caste Corporation / respective Corporations of Welfare Departments, and loan from Commercial Banks.

II. In this scheme, the interest charged by the Banks over and above 3% per annum shall be reimbursed to the beneficiaries of Andhra Pradesh Scheduled Castes Cooperative Finance Corporation Ltd., / respective Corporations of Welfare Departments.

III. Only those sponsored loanees who have taken loans on or after the date of issue of this order, i.e. 14-9-2009 and repay their dues with interest as charged by the Bank are eligible under this scheme.

IV. The Scheduled Caste / Scheduled Tribe/ Back Ward Castes / Minority / Disabled beneficiaries who promptly repay the loans with interest to the Banks becomes eligible to receive interest subsidy being the difference between the rate of interest charged by the Bank and 3%.

V. The interest subsidy is payable to the beneficiaries once in six months.

VI. The District heads of District Scheduled Castes Cooperative Services Society / Andhra Pradesh Backward Castes Cooperative Finance Corporation / TRICOR / Andhra Pradesh State Minorities Finance Corporation / Andhra Pradesh Vikalangula Cooperative Corporation shall calculate the subsidy demand as on 30th September and 31st March.

VII. The District heads of the respective Welfare Corporations shall collect the certified statement of loans of Scheduled Caste beneficiaries who repay the loan by due date from each Bank/Branch on 1st of every month.

VIII. The District heads of the respective Welfare Corporations shall obtain beneficiary-wise eligible interest subsidy from the Bank/Branch Managers before submitting the interest subsidy demand of the Vice Chairman & Managing Director.

IX. The Vice Chairman & Managing Director, Andhra Pradesh Scheduled Castes Cooperative Finance Corporation Ltd., Andhra Pradesh Backward Castes Cooperative Finance Corporation, TRICOR, Andhra Pradesh State Minorities Finance Corporation and Andhra Pradesh Vikalangula Cooperative Corporation shall consolidate the requirement of the interest subsidy and submit necessary proposals to Government for release of interest subsidy funds. They shall in turn, release the interest subsidy amounts received from Government to the concerned District heads promptly.

(P.T.O.)

X. The District heads of the respective Corporations shall release the interest subsidy to the eligible Scheduled Caste / Scheduled Tribe/Backward Caste/Minority/ Disabled beneficiaries directly to the beneficiary's Bank account on receipt of statement from the Banks giving particulars of the interest subsidy payable to the beneficiary.

8. This order issues with the concurrence of Finance (Exp.SW) Department, vide their U.O.No. 20247/287/A1/ESW/09, Dated.7-9-2009.

9. This order is also available in A.P. Government Website 'www.aponline.gov.in'

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

V.NAGI REDDY
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Vice Chairman & Managing Director, Andhra Pradesh Scheduled Castes Cooperative Finance Corporation Ltd., Hyderabad.

The Tribal Welfare/Backward Castes Welfare / Minority Welfare / Women Development, Child Welfare & Disabled Welfare Departments,

All Head of the Departments, through Vice Chairman & Managing Director, Andhra Pradesh Scheduled Castes Cooperative Finance Corporation Ltd., Hyderabad

All Managing Directors of Welfare Corporations, through Vice Chairman & Managing Director, Andhra Pradesh Scheduled Castes Cooperative Finance Corporation Ltd., Hyderabad.

All the District Collectors

The Commissioner, Information & Public Relations Department. A.P., Hyderabad.

The Finance (Exp.SW) Department.

Copy to:

The Accountant General, Andhra Pradesh, Hyderabad.

The General Admn.(I&PR) Department/ Panchayat Raj & Rural Development Dept'.

P.S. to Principal Secretary(S) to Chief Minister/P.S. to Minister for Social Welfare/

P.S. to Minister for Tribal Welfare / P.S. to Minister for W.D, C.W. & D.W.

The General Admn.(Cabinet) Dept.

P.S. to Principal Secretary (SW)

The Social Welfare (Budget) Dept.

Sf/Sc

// FORWARDED: BY ORDER //

SECTION OFFICER